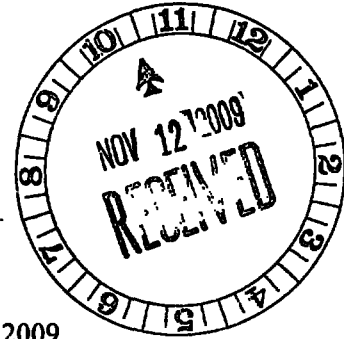


ATTORNEYS AT LAW SINCE 1895

VIA OVERNIGHT DELIVERY



November 11, 2009

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, DC 20024

Re: U S RAIL Corporation
- Operation Exemption -
US RAIL Corporation of New Jersey
STB Finance Docket No. 35317

225990

Dear Secretary Quinlan:

Enclosed for filing please find the original and 10 copies of the Notice of Exemption of U S RAIL Corporation. Also enclosed is our check in the amount of \$1800 representing the filing fee for this Notice.

Please time stamp the extra copy of the Notice to indicate receipt and return it to me in the self-addressed stamped envelope provided for your convenience.

Please let know if there are any questions about the filing. Thank you for your assistance.

ENTERED
Office of Proceedings

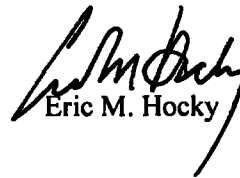
NOV 12 2009

Part of
Public Record

FILED

NOV 12 2009

Respectfully,


Eric M. Hocky

EMH/e

**SURFACE
TRANSPORTATION BOARD**

Enclosures

FEE RECEIVED

NOV 12 2009

**SURFACE
TRANSPORTATION BOARD**

Pittsburgh

Philadelphia

Princeton

Wheeling

Thorp Reed & Armstrong, LLP
One Commerce Square
2005 Market Street
Suite 1000
Philadelphia, PA 19103-7041
215 640 8500
215 640 8501 Fax

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35317



225990

U S RAIL CORPORATION

- OPERATION EXEMPTION -

U S RAIL CORPORATION OF NEW JERSEY

VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41, et seq.

ENTERED
Office of Proceedings

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**SURFACE
TRANSPORTATION BOARD**

ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500

Dated: November 10, 2009

Attorneys for U S RAIL Corporation

FEE RECEIVED

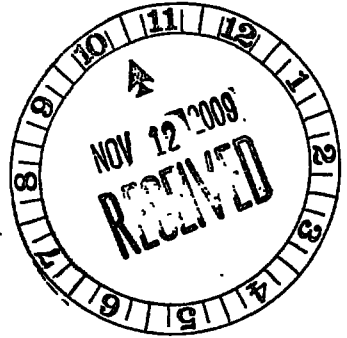
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**SURFACE
TRANSPORTATION BOARD**

STB FINANCE DOCKET NO. 35317

**U S RAIL CORPORATION
- OPERATION EXEMPTION -
U S RAIL CORPORATION OF NEW JERSEY**



**VERIFIED NOTICE OF EXEMPTION
UNDER 49 C.F.R. § 1150.41, et seq.**

This Verified Notice is filed pursuant to 49 C.F.R. §1150.41 by U S RAIL Corporation (“USRP”), a Class III carrier, to exempt from regulation under 49 U.S.C. §10902, its operation of the line of railroad (the “Rail Line”) described herein and shown on the map attached as Exhibit A. The Rail Line is currently owned by the County of Salem, New Jersey, which originally purchased it as an abandoned rail line from Conrail. The Rail Line is currently operated by Southern Railroad Company of New Jersey. The total mileage of the Rail Line is 17.24 miles. The County of Salem is entering into a lease with USRP’s affiliate U S RAIL Corporation of New Jersey (“U S RCNJ”), which is contracting with USRP to perform the operations on and over the Rail Line, with U S RCNJ retaining residual common carrier obligations. This Notice is related to the notice of exemption being filed by U S RCNJ in STB Finance Docket No. 35310, *U S RAIL Corporation of New Jersey – Lease and Operation Exemption – County of Salem, NJ*, and to the common control exemption notice being filed by Gabriel D. Hall in STB Finance Docket No. 35318, *Gabriel D. Hall – Continuance in Control – U S RAIL Corporation of New Jersey*.

Notice

In accordance with 49 C.F.R. §1150.41, USRP hereby states as follows:

- (a) The full name and address of Applicant: U S RAIL Corporation, 7846 Central Ave., Toledo, Ohio 43617.

(b) The name, address and telephone number of the representative of USRP who should receive correspondence: Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

(c) U S RCNJ has entered into a lease agreement dated October 8, 2009, with the County of Salem to cover operation of the Rail Line. Under the lease, U S RCNJ has authority to operate over the Rail Line as of October 8, 2009. U S RCNJ is contracting with USRP to perform the common carrier operations on and over the Rail Line. Operations under the lease will not commence operations until the authority sought hereunder becomes effective.

(d) USRP will be the operator of the Rail Line. U S RCNJ will have residual common carrier authority to operate the Rail Line.

(e) Brief Summary of the Proposed Transaction:

The Rail Line is currently operated by Southern Railroad Company of New Jersey ("SRNJ") under a lease with the County of Salem, New Jersey. The SRNJ lease is being terminated, and U S RCNJ has been selected as the new lessee. U S RCNJ is contracting with its affiliate USRP to operate the Rail Line. The structure between U S RCNJ and USRP has been established to facilitate future financing.

(1) The name and address of the owner of the Rail Line who has granted U S RCNJ operating rights: County of Salem, 94 Market Street, Salem, NJ 08079.

U S RCNJ will be contracting with USRP to operate the Rail Line.

The address of U S RCNJ is the same as the address for USRP as set forth in paragraph (a) above.

The current operator is Southern Railroad Company of New Jersey, 2930 Richmond Street, Philadelphia, PA 19134. Its lease of the Rail Line has been terminated.

(2) USRP expects to commence operations for U S RCNJ when it becomes the lessee of the Rail Line on or after December 12, 2009, thirty days after the filing of this Notice of Exemption.

(3) The Rail Line runs between Milepost 10.86 in Swedesboro, New Jersey, and Milepost 28.10 in Salem, New Jersey.

(4) The total mileage to be operated is approximately 17.24 miles.

(f) Attached as Exhibit A to this Notice of Exemption is a map of the Rail Line.

(g) USRP certifies that its projected revenues as a result of the transaction will not exceed those that would qualify it as a Class III carrier.¹

(h) USRP will interchange with Conrail (on behalf of Norfolk Southern Railway and CSX Transportation, Inc.) in Swedesboro, New Jersey. USRP is not aware of any existing interchange commitments with any of the connecting carriers, and does not contemplate that

¹ USRP additionally certifies that its projected revenues after the transaction will not exceed \$5,000,000 per year.

any will be required as part of this transaction. USRP will be meeting with the connecting carriers to confirm interchange arrangements.

Environmental and Historic Reports

Pursuant to 49 C.F.R. §1105.6(c)(2)(i), no environmental documentation should be required because this proceeding involves authority for an acquisition under 49 U.S.C. §10901 for continued operations that will not exceed the thresholds established in 49 C.F.R. §1105.7(e)(4) or (e)(5).

No historic report under 49 C.F.R. §1105.8(b)(1) should be required because the transaction merely involves an acquisition for continued rail operations, and further Board approval is required to discontinue or abandon any service. USRP has no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older.

Labor Protection

Pursuant to 49 U.S.C. §10902(d), approval of this transaction may not be subjected to labor protection conditions.

Caption Summary

Attached hereto as Exhibit C is the caption summary required by 49 C.F.R. §1150.44.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eric M. Hocky", is written over the printed name.

ERIC M. HOCKY
THORP REED & ARMSTRONG, LLP
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103
(215) 640-8500

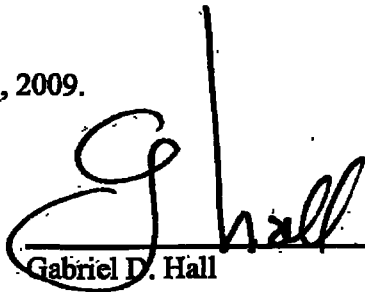
Dated: November 10, 2009

Attorneys for U S RAIL Corporation

VERIFICATION

I, Gabriel D. Hall, President of U S RAIL Corporation, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the foregoing document.

Executed on November 10, 2009.



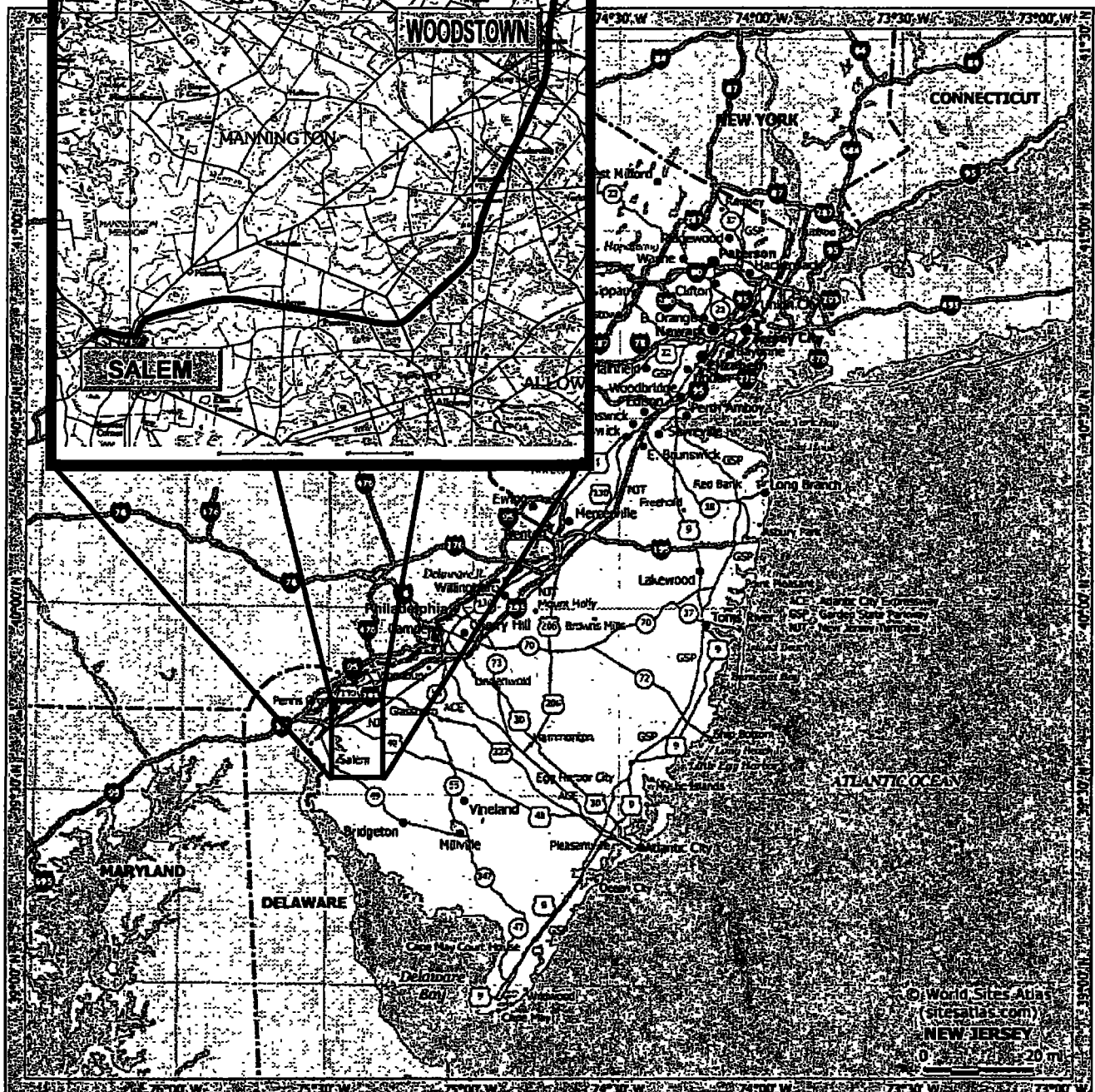
Gabriel D. Hall

MAP

EXHIBIT A



SWEDESBORO, NJ
to
PORT OF SALEM, NJ
RAIL LINE



CAPTION SUMMARY

EXHIBIT B

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35317

**U S RAIL CORPORATION
- OPERATION EXEMPTION -
U S RAIL CORPORATION OF NEW JERSEY**

U S RAIL Corporation (“USRP”), a Class III carrier, has filed a Notice of Exemption to operate the rail line between Milepost 10.86 in Swedesboro, New Jersey, and Milepost 28.10 in Salem, New Jersey. The rail line is being leased by USRP’s affiliate, U S RAIL Corporation of New Jersey (“U S RCNJ”), from the County of Salem, New Jersey. U S RCNJ will then contract with USRP to operate the rail line. The total mileage to be leased is approximately 17.24 miles. The rail line is currently operated by Southern Railroad Company of New Jersey under a lease that is being terminated. This Notice is related to the notice of exemption being filed by U S RCNJ in STB Finance Docket No. 35310, *U S RAIL Corporation of New Jersey – Lease and Operation Exemption – County of Salem, NJ*, and to the common control exemption notice being filed by Gabriel D. Hall in STB Finance Docket No. 35318, *Gabriel D. Hall – Continuance in Control – U S RAIL Corporation of New Jersey*.

Comments must be filed with the Board and served on USRP’s representative, Eric M. Hocky, Esquire, Thorp Reed & Armstrong, LLP, One Commerce Square, 2005 Market Street, Suite 1000, Philadelphia, PA 19103; (215) 640-8500.

The Notice is filed under 49 C.F.R. §1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. §10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.